DOCUMENT RESUME

ED 314 113 JC 900 027

AUTHOR Huhra, Lourdene
TITLE Minority Business Export Initiatives: Final Report, 1989.
INSTITUTION Chicago City Colleges, IL. Chicago City-Wide Coll.; Chicago City Colleges, IL. Harold Washington Coll.
SPONS AGENCY American Association of Community and Junior Colleges, Washington, D.C.; Sears-Roebuck Foundation, Skokie, Ill.
PUB DATE 2 Oct 89
NOTE 46p.
PUB TYPE Reports - Descriptive (141)

EDRS PRICE MF01/PC02 Plus Postage.
DESCRIPTORS Agency Cooperation; *Business Education; Community Colleges; Cooperative Programs; Exports; *International Trade; *Minority Groups; Program Descriptions; Program Development; *School Business Relationship; Two Year Colleges; Workshops

ABSTRACT

The Minority Business Export Initiatives Program was developed by Harold Washington College and Chicago City-Wide College (two schools in the City Colleges of Chicago system) to assist minority business owners in developing and implementing international business strategies that would strengthen their economic viability within today's complex global economy. Prior communication with minority business development organizations revealed that minority businesses had an interest in exporting, but lacked the information and specialized skills necessary to develop an international business strategy. In response to these needs, a series of four workshops was conducted, focusing on assessment of export potential, use of public and private sector resources, export marketing plans, international market analysis, the fundamentals of distribution, and payment and financing methods for international sales. Another aspect of the program was the opportunity for participants to receive individual consultation from international business specialists as needed. Participants in the program were given information about Harold Washington College's Business and International Education Program and about the services and programs of other business development and international trade organizations. The use of promotional and referral services other than those available within the City Colleges of Chicago was a significant factor in the success of the program. Appendixes contain a workshop program, recruitment letters, a list of participants, workshop evaluation forms and comments, consultation session evaluations, and a case study of a minority entrepreneur in the telecommunications industry. (JMC)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED314113

Minority Business Export Initiatives
Final Report 1989

Harold Washington College

Chicago City-Wide College

City Colleges of Chicago

JC 900 027

Funded by the Sears-Roebuck Foundation
Through the American Association of Community
and Junior Colleges/Association of Community
College Trustees Keeping America Working Project.

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Barnett, L.

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)."

BEST COPY AVAILABLE

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☐ This document has been reproduced as received from the person or organization originating it.

X Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

FINAL REPORT

MINORITY BUSINESS EXPORT INITIATIVES

HAROLD WASHINGTON COLLEGE
CHICAGO CITY-WIDE COLLEGE

Submitted by Lourdene Huhra, Project Director
Harold Washington College
October 2, 1989

We gratefully acknowledge the generous funding by the Sears-Roebuck Foundation through the American Association of Community and Junior Colleges/Association of Community College Trustees Keeping America Working Project which made this program possible.

ACKNOWLEDGEMENT

We would like to express our appreciation to the following businesses and public sector organizations whose participation and support contributed to the delivery of this program:

American National Bank and Trust Company of Chicago

Baker and McKenzie

Burgos and Associates, Inc.

Chicago Association of Commerce and Industry

Chicago Association of Neighborhood Development Organizations

Chicago Regional Purchasing Council

Chicago State University

Chicagoland Enterprise Center

City of Chicago Department of Economic Development

Cosmopolitan Chamber of Commerce

Grant Thornton

Illinois Department of Commerce and Community Affairs

Interbart Global Trade Corporation

International Trade Administration, U.S. Department of Commerce

Luster Products Inc.

Milwaukee Enterprise Center

Minority Business Development Agency

Trade Resources, Ltd.

TransTech Management Consulting, Ltd.

U.S. Small Business Administration

University of Illinois at Chicago

I. Introduction

The Minority Business Export Initiatives Program was developed by a consortium of two colleges in the City Colleges of Chicago system, Harold Washington College and Chicago City-Wide College. The program was designed to build upon the international business development initiatives being carried out by Harold Washington College under its Business and International Education Program, and upon the relationships developed by the Procurement Assistance Center of Chicago City-Wide College through its role as a technical assistance provider to small businesses. The City Colleges of Chicago system has a long-standing commitment to small business development. The Procurement Assistance Center of Chicago City-Wide College is a recognized leader in the procurement arena. Harold Washington College has built a strong reputation in international business and education, and is the only community college in the country to receive funding for six consecutive years under the highly competitive U.S. Department of Education Title VI, Part B Business and International Education Program. Harold Washington College's program currently involves the participation of over 30 public and private sector organizations.

The motivation for the development of this program was the recognition that minority businesses are under-represented in international trade. The primary objective of the program was to assist minority business owners in developing and implementing international business strategies so as to strengthen their economic viability within today's complex global economy. In order to accomplish this objective, the following actions were needed:

1. Development of a strategy to identify minority businesses with export potential.

2. Development of a strategy to recruit those businesses to participate in the program.

3. Development of a program which would meet the following criteria:

    a. Provide sufficient information and consulting support to enable minority businesses to successfully enter the international marketplace.

    b. Take into account the length of time needed to successfully develop and complete an export transaction.

    c. Take into account the time and resources available to entrepreneurs to develop their export businesses.

    d. Continue to provide businesses with export development assistance after the conclusion of the grant period.

4. Development of a strategy to identify and recruit the additional business partners needed to reach the target market and provide the program.

In order to maximize the impact of the program beyond the grant period, the following actions were needed:

1. Development of a means to institutionalize the program at Harold Washington College.

2. Positioning Harold Washington College as a leader in international business development within the minority business community so that opportunities for continued involvement in the community would be enhanced.

3. Development of a means to communicate what was learned through the delivery of this program, and disseminate that information to those interested in international business development.

II. Development of the Program

The intent of the program was to provide information and offer assistance to participants in every aspect of the development and implementation of their international business plans. Prior communication with minority business development organizations revealed that minority businesses had an interest in exporting, but lacked the information and specialized skills necessary to develop an international business strategy. Minority businesspersons who had considered or attempted exporting found it difficult to locate information and assistance in the public sector, and found that the cost of retaining private sector consultants to direct their export activity was prohibitive.

Because of the business needs noted above, it was determined that the optimal program would include two components; a series of workshops, and the opportunity for participants to receive individual consultation from international business specialists as needed. The workshops would provide complete information on all aspects of the development and implementation of an international business plan. Reference materials and referral information would be provided. Further, participants would be given self-paced instructional materials at each workshop which would enable them to apply the concepts covered in the workshop to the development of their own companies' international marketing strategies. This activity would provide the foundation for the individual consulting component of the program. Private consulting by international business specialists would be made available to program participants as needed at their convenience.

Program Presenters

Two Chicago-area international business consulting firms with which the Harold Washington College Business and International Education Program had earlier developed business partnerships, Trade Resources, Ltd. and TransTech Management Consulting, Ltd. submitted letters supporting the grant proposal in which they agreed to develop and present the workshops on an in-kind contribution basis, and to provide the consulting component at a reduced rate.

A representative of another business partner, American National Bank and Trust Company of Chicago, participated in the delivery of one of the workshops in his area of expertise. The keynote address was given by the International Marketing Manager of Luster Products Inc., a Chicago health and beauty aids manufacturer.

Promotion and Recruitment of Participants

Although it was initially planned to recruit program participants solely from the portfolios of the Procurement Assistance Center of Chicago City-Wide College and the Small Business Consulting Service of Harold Washington College, it was later determined to be most effective to recruit participants from a greater number of networks in order to increase the visability of the program and maximize business community participation. Therefore, two additional co-sponsors of the program were recruited, the Minority Business Development Agency (MBDA) of the U.S. Department of Commerce, and the U.S. Small Business Administration (SBA). The MBDA agreed to co-sponsor the program and to identify and recruit minority businesses with export potential from among clients served at their two Minority Business Development Centers in Chicago, one operated by Grant Thornton and the other by Burgos and Associates, Inc. Marketing specialists at these centers mailed promotional brochures with covering letters on their letterheads to clients demonstrating export potential. The SBA also agreed to co-sponsor the program and to identify and recruit minority businesses with export potential from among companies being served at their offices.

Additional sources of referrals were asked to provide promotional assistance and agreed to do so in a variety of ways. The Chicagoland Enterprise Center provided a list of their clients with export potential to whom a direct mailing was made. The Illinois Department of Commerce and Community Affairs agreed to assist in the promotion of the program through its Small Business Development Center Network and to distribute promotional brochures to client minority businesses with export potential. The Chicago Association of Neighborhood Development Organizations (CANDO) mailed brochures to service providers in their network. The Cosmopolitan Chamber of Commerce mailed brochures to minority businesses on their mailing list. The SBA and the Chicago Regional Purchasing Council provided their minority business mailing lists. The Chicago Association of Commerce and Industry transmitted program information through their network and made brochures available at their office. The Milwaukee Enterprise Center at Milwaukee Area Technical College provided the mailing list of participants in their "Link Up For Success" conference. A listing of Chicago's leading minority businesses provided by Crain's Chicago Business was used in a direct mailing. Brochures were also given to Task Force and Advisory Board Members of the Business and International Education Program of Harold Washington College so that they might refer potential participants.

Approximately 1000 promotional brochures were distributed as indicated above. Additionally, brochures were placed at a number of locations where potential participants would have access to them. These sites included the following: The International Trade Administration Office of the U.S. Department of Commerce, The Small Business Administration, The Minority

Business Development Agency and its two Minority Business Development Centers in Chicago, the Small Business Assistance Bureau and the International Business Division of the Illinois Department of Commerce and Community Affairs, The Chicagoland Enterprise Center, The Cosmopolitan Chamber of Commerce, and the Chicago Association of Commerce and Industry. Press Releases were sent to the business press and to minority newspapers as well as to television and radio stations. Please see Appendix A for copies of the promotional brochure and other promotional materials.

Over 40 minority businesspersons registered for the program in advance of the first workshop. Some of the registrants were referred by the following organizations: The Small Business Consulting Service at Harold Washington College, The Procurement Assistance Center at Chicago City-Wide College, The Minority Business Development Centers, The Chicagoland Enterprise Center, The Milwaukee Enterprise Center, The U.S. Department of Commerce, The Chicago Association of Commerce and Industry, The Chicago Regional Purchasing Council, The Illinois Department of Commerce and Community Affairs, and Chicago State University. Other registrants received direct mailings through the Chicago Association of Neighborhood Development Organizations and the Cosmopolitan Chamber of Commerce. Others responded to Press Releases which appeared in the Minority Entrepreneur newspaper and the Minority Business Review, or heard about the program from a friend or business associate.

III. The Workshop Component

The workshop component of the program consisted of a series of four monthly workshops held on Saturdays from 9:00 a.m. - 1:00 p.m. All workshops were presented by Lawrence H. Rubly, Managing Partner, TransTech Management Consulting, Ltd. and Laura Spingola, President, Trade Resources, Ltd. In total, 67 minority businesspersons participated in the workshop series. Certificates of completion were awarded to 21 participants who attended three or more workshops.

Slightly more than half of program participants were manufacturers, contractors, professional service providers, or distributors of various types of products. Almost one-third of participants were not currently in business for themselves but were exploring the possibility of establishing their own export business. Approximately 15 percent of participants represented non-profit organizations providing services to small businesses who wanted to learn about international business development to better serve their clients. Two-thirds of participants indicated that they had attended a workshop or a seminar on international trade within the previous 12 months.

Please see Appendix B for information on the product lines of participant manufacturers and distributors, and the types of services provided by participant service providers.

Workshop One

Thirty-four businesspersons attended the first workshop which was held on Saturday, January 28, 1989. The workshop was designed to provide participants with an introduction to exporting. After Lourdene Huhra of Harold Washington

College welcomed participants and provided a brief introduction of the program goals and format, the Regional Director of the Minority Business Development Agency, David Vega, and the Director of the Procurement Assistance Center of Chicago City-Wide College, Patsy Mullins, made brief presentations describing the services provided to businesspersons by their organizations. The keynote address was then delivered by Reginald Maynor, International Marketing Manager of Luster Products Inc., a manufacturer of health and beauty aids products located in Chicago. In his address entitled "Successful Minority Business Exporters: Add your Company to the List", Mr. Maynor described the development of Luster Products' international markets, and the strategies and principles which guide their international business activities. He then answered a number of questions from participants.

The content of the workshop included assessment of export potential, utilization of public and private sector resources, and elements of an export marketing plan. For further information, please see the workshop agenda in Appendix C. At the conclusion of the workshop, participants were invited to sign up for private consultations with either or both of the workshop presenters after lunch and/or at their convenience.

Evaluation forms were completed by 25 participants at the conclusion of the workshop. All of the evaluations were very favorable. For a summary of the responses, please see Appendix C.

Subsequent to workshop one, sixteen additional minority businesspersons asked to participate in the program, having learned of it from friends and business associates.

Reminder postcards were mailed to participants one week prior to workshop two.

Workshop Two

Forty-one businesspersons attended the second workshop which was held on Saturday, February 25, 1989. Of this number, 21 had not previously participated in the program. With one exception, it can be stated that the 14 participants from workshop one who did not return did not represent businesses with significant export potential. Among the 21 participants who were new, however, were at least eight businesses with significant potential to export successfully.

Workshop Two covered international market analysis. Topics included the development of international marketing skills, competitive analysis, how to prioritize markets, use of foreign trade leads and export pricing. A videotape entitled "The Dollars and Sense of Exporting", produced by the U.S. Department of Commerce, was shown. For more information on the workshop, please see the agenda in Appendix C. At the conclusion of the workshop, participants were invited to sign up for private consultations after lunch and/or at their convenience.

Evaluation forms were completed by 39 participants at the conclusion of

the workshop. All of the evaluations were very favorable. For a summary of responses, please see Appendix C.

Reminder postcards were mailed to participants one week prior to workshop three.

Workshop Three

Thirty-three businesspersons attended the third workshop which was held on Saturday, March 18, 1989. Of this number, eight were new to the program.

Workshop Three covered the fundamentals of distribution. Topics included methods of entering a foreign market, locating, evaluating and utilizing domestic and foreign marketing intermediaries, and shipping and insuring international sales. For more information on the workshop, please see the agenda in Appendix C. At the conclusion of the workshop, participants were invited to sign up for private consultations after lunch and/or at their convenience.

Evaluation forms were completed by 23 participants at the conclusion of the workshop. All of the evaluations were very favorable. For a summary of responses please see Appendix C.

Reminder postcards were mailed to participants one week prior to workshop four.

Workshop Four

Twenty-two businesspersons attended the final workshop which was held on Saturday, April 29, 1989. Of this number, three were new to the program.

Workshop Four covered payment and financing methods for international sales. Scott M. Baranski, Vice President and Manager of the International Division of American National Bank and Trust Company of Chicago, was asked to participate in the workshop in order to provide participants with a commercial banker's perspective. Topics included preparation of pro forma invoices, methods of payment and documentation requirements, the Letter of Credit payment process, and the export financing methods and programs currently available. For more information, please see the workshop agenda in Appendix C. At the conclusion of the workshop, participants were invited to sign up for private consultations after lunch and/or at their convenience.

Evaluation forms were completed by 21 participants at the conclusion of the workshop. Additionally, participants were asked to evaluate the effectiveness of the entire workshop series in meeting participant and program goals. All of the evaluations were very favorable. For a summary of responses, please see Appendix C.

IV. The Consulting Component

Eighteen businesspersons, or 27% of participants, took advantage of the

consulting component of the program. A total of 96 individual appointments and telephone consultations were held. Businesspersons chose the consultant with whom they wished to work, and scheduled appointments directly with the consultant at mutually convenient times and locations. The consultants provided monthly written progress reports to the Project Director for review.

Businesspersons were provided assistance with all activities needed to develop and implement their export marketing plans. The role of the consultant was instructional as well as expert, participants were expected to perform most of the necessary research and marketing activities on their own under the guidance of their consultant. When necessary, additional referrals were suggested and introductions were made.

The consulting support provided to participants was tailored to the individual company's international business objectives. Actions ranged from providing assistance with collection of an account receivable in order to finance export development, to placing an advertisement with a worldwide electronic bulletin board for a participant's product. Proprietary considerations do not permit extensive description of participants' export development activities; however, the following summaries should give the reader some idea of the accomplishments of participants as a result of the program.

A. A telecommunications consultant came into the program with the objective of developing a market in the Caribbean for her specialized consulting services. Market research revealed a need for products which would prevent the extensive damage to the telephone system caused by hurricanes. The businessperson then sought and located a U.S. manufacturer of such a product, and entered into an agreement to act as the manufacturer's representative for the product. In addition to the Caribbean, she is now developing markets for the same product in Canada and in Taiwan.

B. A construction contractor came into the program with a letter of interest from the government of an African country requesting that she submit a proposal for the installation of sewers. She had not responded for several months, as she feared that working in Africa would be too complicated. After determining that the interest on the part of the African government continues to be strong, the businessperson was assisted in developing and submitting the proposal. She is now preparing to go to Africa for the final negotiations.

C. A manufacturer of hair care products for dark-complected persons had been active in traditionally well-developed markets in West Africa and the Caribbean. Through the program, the scope of activities has been expanded to develop markets in Canada and Korea.

D. A retailer of gift and novelty items found a product which she believed would have great potential in her native country, the Philippines. Through her contacts there, she developed a plan for distribution. Through the program, she was assisted in

determining export price and in developing a promotional strategy to support her sales effort.

At the conclusion of the grant period, businesspersons who had taken advantage of the consulting component were asked to complete an evaluation. Participants indicated a high degree of satisfaction with the consulting, and perceived it to be more valuable than the workshop component alone in the development of their international business capability. For a summary of responses to the evaluation, please see Appendix D.

Participants who did not avail themselves of the opportunity to obtain consulting and those who initially requested consulting but did not continue were questioned informally as to why they did not do so. Several participants indicated that they were still in the process of developing their readiness to export. Others indicated that the demands on them as entrepreneurs did not leave them sufficient time or financial resources to make a commitment to exporting at this time. These businesspersons were encouraged to continue to participate in the programs offered by the Harold Washington College Business and International Education Program.

V. Actions Which Extend the Impact of the Grant

Throughout the grant period, participants were given information about services and programs of other business development and international trade organizations. During May 1989, which was designated as World Trade Month by the federal government, participants were provided a full calendar of statewide international business activities. Participants were offered special incentives to enroll in two advanced international business seminars offered by the Harold Washington College Business and International Education Program, and six participants did so. Participants were also sent direct mailings for two international business conferences which were co-sponsored by Harold Washington College. Participants' names were given to several international trade organizations in the Chicago area for their mailing lists, so that participants would continue to receive timely information about international business activities and programs in Chicago in addition to those offered by Harold Washington College.

Throughout the grant period and at its conclusion, participants were provided information about the activities of the Harold Washington College Business and International Education Program which were available to them. This program, established in 1984, provides international business education and training for the Chicago-area business community. The program receives support from a variety of sources including a grant from the U.S. Department of Education under Title VI B, and economic development funds appropriated by the State of Illinois. The program also receives generous in-kind contributions from Chicago-area businesses and public sector organizations. Components of the program include the following:

1. Small Business Consulting Service

Through this service, small business clients are assisted in entering the global marketplace through individual consulting support provided at no charge by Chicago-area international trade specialists.

2. Non-credit courses, seminars and workshops

A variety of courses, seminars and workshops on introductory and advanced international business topics are offered through the the program by international business practitioners. Programs are held in the evening and on Saturdays for the convenience of Chicago-area residents.

3. Associate Degree and Certificate Programs in International Business

These programs, developed with the assistance of some of Chicago's leading business practitioners, provide students with the perspectives, skills and competencies needed to function effectively in domestic and international private and public sector organizations.

4. International Business Speakers Bureau

Prominent international business leaders have volunteered their time to speak to individuals and groups on a variety of international business topics.

Minority businesspersons who were initially referred to the grant program but did not attend were sent a direct mailing for a six-week non-credit course, "Fundamentals of International Business," offered through the Harold Washington College Business and International Education Program. Brochures for this course were taken to individuals and organizations providing services to minority businesses who once again agreed to provide assistance with promotion and referral. Brochures were also sent to program participants, with a request that they refer friends and business associates.

VI. Evaluation

Following are the objectives which were developed for the program:

1. Identify small minority-owned businesses with export potential.

2. Provide a comprehensive service for a select group of firms demonstrating the strongest export potential.

3. Act as a referral service for small minority-owned businesses beginning to export or expanding export markets.

4. Continue to work with Chicago-area organizations to promote exporting by minority-owned businesses.

Each of these objectives has been met.

The most significant factor in meeting these objectives was the decision to use a variety of promotional and referral sources other than those available within the City Colleges of Chicago system. This decision made it necessary to strengthen existing partnerships with Chicago-area agencies and organizations and to develop new partnerships where none had existed previously. This effort, therefore, positioned our Colleges within the international business development market as leaders in providing such services to the minority business community.

The impact of the use of additional business partnerships on the success of the program can be demonstrated most quantitatively on objective one, the identification of minority businesses with export potential. Through the cooperation of our business partners, the same strategies employed by Harold Washington and Chicago City-Wide Colleges to recruit clients from our own portfolios were used by other service providers to reach into many of Chicago's minority business networks. These service providers were well-positioned to screen, qualify and recruit their own clients, and, as a result, the program was promoted more effectively than we alone could have done. Therefore, additional qualified businesspersons were identified and recruited.

Evidence of the achievement of the second objective, to provide a comprehensive service for a select group of firms demonstrating export potential, is provided by participants' evaluations of the quality of both components of the program, the workshop series and the individual consulting, as well as through an examination of the accomplishments made by participants who are actively engaged in the implementation of their international marketing plans. Each participant who has continued to receive consulting is active in at least one international market, although, to date, we cannot yet report a dollar value of sales in these markets. These companies have strongly emphasized that they would not be in these markets without the assistance provided through this program.

The decision to involve other organizations and agencies also contributed to the achievement of objective three, the development of the capability to act as a referral source for minority businesses. The strengthening of existing partnerships and the development of new ones enhanced our capability to provide appropriate referrals, not only in terms of increasing our awareness of services and specialized expertise available in the market, but also in increasing our capability to recruit specialists to assist our clients when needed. This capability can be demonstrated through the example of a program participant, who needed a means of repatriating funds legally from an African country when prohibited by U.S. regulations from doing so directly. Through our existing network of partners, we were able to quickly find an attorney working in both countries who was willing to provide assistance.

Securing the cooperation of other organizations and agencies in order to effectively deliver the program contributed to our achievement of objective four, development of the opportunity to work with other organizations to

continue to promote exporting in the minority business community. Because of the involvement of so many community organizations in the delivery of this program, the visability of the Harold Washington College Business and International Education Program was enhanced. This has resulted in increased referrals to all components of the program. The awareness of the success and impact of the program also enhanced the reputation of the program, and, therefore, other organizations and agencies have indicated great interest in continuing to work with us.

Businesspersons who were receiving consulting services at the conclusion of the grant period have now become clients of the Small Business Consulting Service of the Harold Washington College Business and International Education Program, and continue to receive consulting. Other businesspersons who were not actively involved in the consulting component at the conclusion of the grant period have been assured that services will be available through the Harold Washington College Program when they are prepared to resume their international business activities.

VII. Recommendations

The experience gained from the design and delivery of this export development program for minority businesses enables us to offer the following recommendations to community college business service providers who have an interest in facilitating exporting by their small business clients.

1. Community college business service providers should develop a basic working knowledge of international business. This knowledge will assist them in designing an export development program, as well as in gaining an understanding of the complexity of the international marketing process and the level of expertise needed to successfully facilitate an export transaction. The process of developing a basic understanding of international business will also lead service providers to individuals within the international business community who can later be recruited as business partners.

2. Effective business partnerships with members of the public and private sectors should be developed in advance of planning a program. As indicated earlier, our use of business partners significantly contributed to the success of our program, and it is clear that we could not have delivered the same program without them. Many of these partnerships had been developed by our Colleges some years earlier, but other partners enthusiastically entered into partnerships with us for the first time in order to participate in this program. Once partnerships are in place, they become an invaluable resource and contribute significantly to the growth of a program.

3. When developing an international business program, make certain that the services to be offered are consistent with the expertise and

resources available. For example, we could not have offered a consulting component within this program if we had not had the contributions of partners who are experienced international business consultants. If the program had not contained this consulting component, we could not have marketed it as a comprehensive export development program to assist the businessperson in all aspects of the development and implementation of an international business plan. When resources and expertise are limited, it is possible to offer services such as a lecture, an introductory course, or a specialized seminar taught by a business partner.

4. Whatever the role of the business partner, it is the community college business service provider who must maintain full responsibility for the delivery of service. This responsibility includes the setting of course or program objectives, the development of the marketing and promotional strategies, the delivery of the course or program, the evaluation process, and the resolution of any difficulties which may develop.

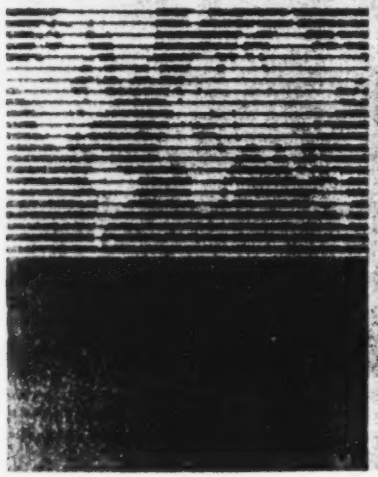
5. In designing export development programs, be aware of the needs of small businesspersons and the constraints on entrepreneurs as they develop their international business capability. The most visible constraints are those on human and financial resources. Even in large corporations with international departments, the development of an export market takes much longer than the development of a new domestic market. Small businesses, managed by single entrepreneurs, will rightfully view the performance of their domestic business as their top priority. They may not be able to consistently devote sufficient time and energy to the development of their export marketing strategy. In general, the capital available internally to small businesses to finance their international business development is limited. To compound this limitation, it is more difficult for small businesses to qualify for many financing programs available in the market.

   Many small businesses are not aware of the complexities inherent in developing an international market. A case study of a minority entrepreneur's initial unsuccessful venture into international business appears in Appendix E. This study provides some understanding of the manner in which many small businesses view exporting. It is necessary to dispel many misconceptions immediately, so that entrepreneurs can decide whether they have the resources and capabilities needed to begin a lengthy export development process. We addressed this idea directly in our first workshop, with the objective of giving entrepreneurs a realistic impression about the level of commitment needed to develop an international market. As a result, we lost 21 percent of our total participants. However, other participants were appreciative of the realistic tone of the presentation, and, as a result, were able to develop fairly accurate timetables for their activities.

6. In view of the skills and amount of time needed by a small business to develop an international presence, a College must take a long-term perspective when initiating international business development programs. Participants in our program expressed appropriate concern about the continuity of services after the conclusion of the grant period. Participants also made requests for more specialized courses and seminars once they had mastered the fundamentals. Publicity about the program resulted in inquiries and requests for enrollment in the next series. Therefore, the College can maximize its immediate efforts by having a long-term strategic plan in place.

WHAT CAN EXPORTING DO FOR YOU?

- Increase your profitability through additional sales
- Find new markets for your products
- Utilize excess capacity
- Reduce the impact of seasonality on your business
- Gain an edge over your competitors



"Minority Businesses: Doing Business with the World" presents a unique opportunity for you as a minority small business owner to assess and develop your potential for successful exporting. The program consists of a keynote address by Reginald Maynor, International Marketing Manager, Luster Products, Inc., four practical workshops, and private consultations with international business specialists. In four sessions, you will learn how to:

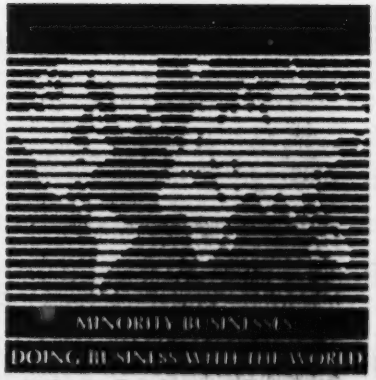
- Assess your company's export potential
- Select your best target markets
- Determine the optimal method of distribution
- Locate, evaluate and utilize intermediaries
- Prepare an export marketing plan
- Prepare all necessary documentation

Through special funding by the Sears-Roebuck Foundation, the entire program is available at no cost on a first-come, first-served basis to a select number of participants.

HAROLD WASHINGTON COLLEGE
BUSINESS AND INTERNATIONAL EDUCATION
30 EAST LAKE STREET CHICAGO, ILLINOIS 60601

AN EQUAL OPPORTUNITY EMPLOYER

FIRST CLASS MAIL



MINORITY BUSINESS: DOING BUSINESS WITH THE WORLD

An Export Development Program for Chicago-Area Minority Businesses

Featuring

Reginald Maynor
International Marketing Manager
Luster Products, Inc.

Sponsored by:

Business and International Education Program,
Harold Washington College

Procurement Assistance Center,
Chicago City-Wide College

Minority Business Development Agency,
U.S. Department of Commerce

U.S. Small Business Administration

Special Funding by:

The Sears-Roebuck Foundation through the American Association of Community and Junior Colleges/Association of Community College Trustees Keeping America Working Project

Appendix A

BEST COPY AVAILABLE

WORKSHOP SCHEDULE

Dates:

Saturday	January 28, 1989
Saturday	February 25, 1989
Saturday	March 18, 1989
Saturday	April 29, 1989

Time:

All workshops will be held from 9:00 a.m.-1:00 p.m.

Place:

Chicago City-Wide College, Room 401
226 W. Jackson Blvd.
Chicago, IL

Parking available at Wells and Jackson

PRIVATE CONSULTATION SCHEDULE

Consultations will be held after the workshops from 2:00 p.m.-5:00 p.m.

Additional hours to be arranged.

WORKSHOP PRESENTERS AND CONSULTANTS

- **Lawrence Rubly**
  Managing Partner
  Trans Tech Management Consulting, Ltd.
- **Laura Spingola**
  President
  Trade Resources, Ltd.

WORKSHOP INFORMATION

WORKSHOP ONE
Introduction to Exporting
Saturday, January 28, 1989

- Keynote address by Reginald Maynor, International Marketing Manager, Luster Products, Inc. "Successful Minority Business Exporters: Add Your Company to the List"
- Why you should consider exporting
- Company resources needed for success
- How to assess your own export potential
- Elements of an export marketing plan
- How to utilize public and private sector resources

WORKSHOP TWO
International Market Analysis
Saturday, February 25, 1989

- How to extend your domestic marketing skills into the global arena
- How to analyze a foreign market
- How to analyze your competitors
- How to prioritize your target markets
- How to obtain, qualify and follow up on foreign trade leads
- How to select an export pricing strategy and determine export price

WORKSHOP THREE
Fundamentals of Distribution
Saturday, March 18, 1989

- Methods of entering a foreign market
- How to choose the optimal method of entry
- How to locate, evaluate and utilize representatives
- How to ship and insure international sales

WORKSHOP FOUR
Payment and Financing Methods for International Sales
Saturday, April 29, 1989

- How to prepare a pro forma invoice for an international sale
- Methods of payment and documentation requirements for international sales
- How to use the letter of Credit payment process
- How to determine the capital requirements of your export marketing program
- Export financing programs currently available

To register for this special opportunity return the attached registration form now. **Registration can only be guaranteed to those responding by January 17, 1989.**

Questions? Call Lourdene Huhra at (312) 984-2873.

REGISTRATION FORM

Name

Company Name

Company Address

City State Zip

Area Code Telephone Number

Please answer the following questions.

Type of Business? ☐ Manufacturer ☐ Distributor ☐ Marketing Agent ☐ Other _____

Primary Products _____

Are you currently exporting? Yes ☐ No ☐

Send form by January 17, 1989 to guarantee your registration to:

Lourdene Huhra
Associate Director
Business and International Education
Harold Washington College
30 E. Lake Street
Chicago, IL 60601

HAROLD WASHINGTON COLLEGE

BUSINESS AND INTERNATIONAL EDUCATION

30 EAST LAKE STREET CHICAGO, ILLINOIS 60601 (312) 984-2873

Advisory Board

Jack D. Beem
Partner
Baker & McKenzie

Rita M. Bennett
Director of Overseas Training
International Orientation Resources

Cardiss Collins
Member of Congress
7th District, Illinois

John M. Coulter
Director of Business Development
Chicago Association of Commerce & Industry

Joan L. Erdman
Associate
Committee on Southern Asian Studies
University of Chicago

Sandra Filion Foster
Vice President
Training & Development
Chicago City-Wide College

Marcie Harrison
President
The Harrison Group

Lawrence H. Rubly
Managing Partner
TransTech Management Consulting Ltd.

Laura Spingola
President
Trade Resources Ltd.

Program Task Force

Mary L. Fifield
Program Director and Dean of Instruction

Lourdene Huhra
Associate Director
Business & International Education

Scott M. Baranski
Vice President and Manager
International Banking Division
American National Bank of Chicago

Clarence Brown Jr.
Faculty Member
Department of Business

Bruce Chapman
Faculty Member
Department of Business

Maria Gutierrez
President, International Student Club

Fred B. Johnson
Coordinator
English as a Second Language

Jo Liebermann
Director of Institutional Research and Planning

Norbert F. Lindskog
Faculty Member
Department of Business

Jack Shapiro
Co-chair, Department of Business

Barbara L. Williams
Faculty Member
Department of Business

Antoinette Vazquez
International Marketing Consultant
International Business Division
Illinois Department of Commerce and Community Affairs

Arlene R.K. Zide
Faculty Member
English as a Second Language/ Humanities

FOR IMMEDIATE RELEASE

Contact: Lourdene Huhra
984-2873

Headline: Unique Opportunity Available to Chicago-area Minority Businesses

Chicago-area minority business owners have a special one-time opportunity to learn to increase their profits through exporting. A unique program entitled "Minority Businesses: Doing Business with the World" will be presented in Chicago at no cost on a first-come, first-served basis, beginning January 28, 1989. Special funding by the Sears-Roebuck Foundation through the American Association of Community and Junior Colleges/Association of Community College Trustees Keeping America Working Project makes this program possible.

The program consists of four practical workshops and private consultations with international business specialists. The first workshop will be held on Saturday, January 28, 1989 from 9:00 a.m - 1:00 p.m. at Chicago City-Wide College, 226 W. Jackson Blvd., Room 401. A featured speaker at the first workshop will be Mr. Reginald Maynor, International Marketing Manager, Luster Products, Inc. Participants in the program will assess their potential for successful exporting and will learn how to export successfully. They will also have the opportunity to work side-by-side with international business consultants to develop and implement an international marketing plan for their companies.

The program workshops and private consultations will be given by Mr. Lawrence Rubly, Managing Partner, TransTech Management Consulting Ltd. and Ms. Laura Spingola, President, Trade Resources Ltd.. The Program was developed by the Business and International Education Program at Harold Washington College and the Procurement Assistance Center of Chicago City-Wide College. For more information call Lourdene Huhra at (312) 984-2873.

-30-

Letter sent to clients by the Minority Business Development Centers and the Procurement Assistance Center

Dear _____:

Did you know that ninety-five percent of the world's population and two-thirds of its total purchasing power are located outside of the United States?

Companies with products similar to yours are already successful in the international marketplace. In fact, small businesses currently comprise more than half of all U.S. exporters.

If you are not exporting, it may be because you lack the information you need. You may believe that the international market is too complicated, with too many problems and too much "red tape".

Now, for the first time in Chicago, this essential information is available to you as a minority business owner through a special program entitled "Minority Businesses: Doing Business with the World", which is funded by the Sears-Roebuck Foundation. In four practical down-to-earth workshops, you will receive all the information you need to determine the export potential of your products and how to begin the export process. A unique feature of this program is the opportunity to work side-by-side with an international business consultant to develop an export marketing plan for your company.

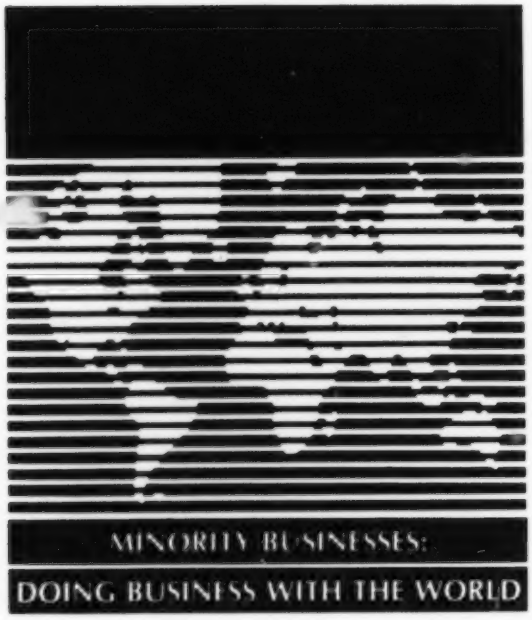
Because of the special funding, this program will be presented in Chicago on a one-time basis at no cost for a limited number of participants beginning January 28, 1989.

I believe that the program "Minority Businesses: Doing Business with the World" is worthy of your consideration and I urge you to review the information enclosed.

This unique opportunity can only be guaranteed to businesses responding by Tuesday, January 17, 1989.

If you have any questions, call Lourdene Huhra, Associate Director, Business and International Education at Harold Washington College at (312) 984-2873.

Sincerely,



THIS IS TO REMIND YOU
of our second workshop

Saturday, February 25
Chicago City-Wide College
226 W. Jackson, room 401

We'd like to begin
promptly at 9:00 a.m.

Questions? Call me
at 984-2873.

I'm looking forward to
seeing you again.

HAROLD WASHINGTON COLLEGE
BUSINESS AND INTERNATIONAL EDUCATION
30 EAST LAKE STREET CHICAGO, ILLINOIS 60601

Appendix B

Participants included manufacturers of the following:

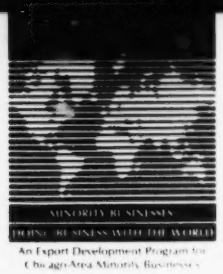
- -pharmaceuticals (3)
- -food services and vending products
- -custom wood products and molding
- -plastic products
- -Black-American greeting cards
- -loose leaf binders
- -construction supplies

Participants included providers of the following types of services:

- -general business consulting (2)
- -telecommunications consulting
- -construction
- -transportation management
- -specialized computer software
- -computer training
- -financial services

Participants included distributors of the following:

- -various products (6)
- -clothing (4)
- -food products (2)
- -electronics (2)
- -vinyl products (2)
- -promotional products (2)
- -hospital products
- -medical supplies
- -frozen bakery goods
- -agricultural products
- -health care products and equipment
- -wine
- -leather and bedding
- -office products
- -tv programs
- -computer diskettes



Appendix C

WORKSHOP ONE
JANUARY 28, 1989

AGENDA

I. Welcome

II. Program Introduction, Goals and Format

III. Remarks by David Vega, Regional Director, Minority Business Development Agency

IV. Remarks by Patsy Mullins, Director, Procurement Assistance Center, Chicago City-Wide College

V. "Successful Minority Business Exporters: Add Your Company to the List"
Reginald Maynor, International Marketing Manager,
Luster Products, Inc.

VI. Brief introductions by program participants

VII. Reasons to consider exporting

VIII. Resources needed for success

IX. Self-Assessment

X. Considerations in developing an export marketing plan

XI. Public and private sector resources: How to evaluate and utilize them

XII. Conclusion

XIII. Evaluation

WORKSHOP TWO

February 25, 1989

AGENDA

I.	Introductory Remarks	Lourdene Huhra
II.	How To Extend Your Marketing Skills Into The Global Arena	Laura Spingola
III.	How To Analyze A Foreign Market And Your Competitors	Lawrence Rubly
IV.	Break	
V.	How To Prioritize Your Target Markets	Laura Spingola
VI.	How To Obtain, Qualify And Follow-Up On Foreign Trade Leads	Laura Spingola
VII.	Export Pricing	Lawrence Rubly
VIII.	Conclusion	
IX.	Evaluation	

Appendix D
CONSULTING EVALUATION

I. Please check the response that most closely reflects your opinion.

1. The consulting sessions helped me in developing my export marketing plan.

   Very much 87.5% Somewhat 12.5%

   Not very much ____ Not at all ____

2. A consulting component should be included in all export development programs.

   Strongly Agree 87.5% Agree 12.5%

   Uncertain ____ Disagree ____

   Strongly Disagree ____

3. I could have made the same amount of progress with the workshop program alone.

   Strongly Agree ____ Agree 12.5%

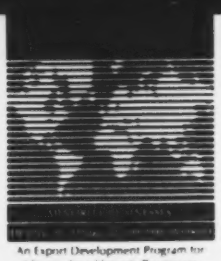
   Uncertain 25% Disagree 62.5%

   Strongly Disagree ____

II. Please evaluate the consultant(s) you worked with using the following responses:

SA = Strongly Agree
A = Agree
U = Uncertain
D = Disagree
SD = Strongly Disagree

1.	The consultants provided advice that was useful and appropriate to my particular business situation.	Strongly Agree Agree Uncertain or Below	69% 23% 8%
2.	The consultants were responsive to my needs and questions.	Strongly Agree Agree Uncertain or Below	58% 33% 8%
3.	The consultants are knowledgeable in the field of international trade.	Strongly Agree Agree Uncertain or Below	77% 0% 23%



WORKSHOP THREE

March 18, 1989

AGENDA

I.	Introductory Remarks	Lourdene Huhra
II.	Methods of Entering a Foreign Market	Laura Spingola
III.	How to Choose the Optimal Method of Entry	Laura Spingola
IV.	Break	
V.	How to Locate, Evaluate and Utilize Marketing Intermediaries	Lawrence Rubly
VI.	How to Ship and Insure International Sales	Lawrence Rubly
VII.	Conclusion	Lourdene Huhra
VIII.	Evaluation	

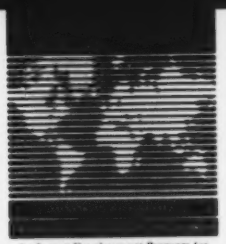
An Export Development Program for Chicago Area Minority Businesses

WORKSHOP FOUR

April 29, 1989

AGENDA

I.	Introductory Remarks	Lourdene Huhra
II.	How to Prepare a Pro Forma Invoice for an International Sale	Laura Spingola
III.	Methods of Payment and Documentation Requirements	Lawrence Rubly
IV.	Letters of Credit	Lawrence Rubly
V.	Various Approaches To Export Financing	Scott M. Baranski
VI.	Conclusion	Lourdene Huhra
VIII.	Evaluation	Lourdene Huhra



An Export Development Program for Chicago Area Minority Businesses

WORKSHOP ONE
EVALUATION

1. **Program Content:** The amount of material presented in this workshop was:

   0 Too Much 23 Just Right 2 Not Enough

2. **Program Presentation:** The presentation of the workshop was well-organized and easy to follow.

   25 Agree 0 Uncertain 0 Disagree

3. **Program materials:** The written materials used in the workshop are:

   21 Very useful 4 OK 0 Not Very Useful

4. **Workshop Length:** The workshop length (four hours) was:

   2 Too Long 22 Just Right 1 Too Short

5. **Objectives:** The workshop met my objectives for coming.

   24 Agree 1 Uncertain 0 Disagree

   I intend to continue to participate in the program.

   24 Yes 1 Uncertain 0 No

6. **Overall Reaction:** In general, this workshop was:

   14 Excellent 11 Good 0 Average 0 Fair 0 Poor

Comments: _____

_____

_____

Suggestions: _____

_____

_____

THANK YOU.

Suggestions from Workshop One Evaluations

- I'm also interested in importing certain products for my current business.
- Continue.
- More help for independent (individual) exporters - talk a little bit on import.
- Excellent. Keep offering classes of information.
- Handicap parking and van parking is in short supply, especially near the facility.
- Visual aids gives a greater impact. FICA has a great visual aid presentation.
- Bring in overseas reps. Tell "horror stories" of problems to help us avoid them.
- Be optimistic. Yes a small business can export if you plan.

Comments from Workshop One Evaluation

- I appreciate the opportunity to learn how, when and where to export.
- Very good presentation - well organized.
- 3 hour sessions.
- The format with consulting time afterward is very good.
- The program has helped me decide on import and export in the future. I know where to resource, and it will be an asset to the business I decide later to enter.
- The panel discussions and question and answer format is great. Exchange of information was very useful. Participant mix is good.
- More participation by students. I could use some of their services/expertise.
- Looking forward to more of the same (After the most positive evaluation responses).
- Very informative.
- Thank you.

An Export Development Program for Chicago-Area Minority Businesses

WORKSHOP TWO
EVALUATION

1. **Program Content:** The amount of material presented in this workshop was:

   ___ Too Much 33 Just Right 6 Not Enough

2. **Program Presentation:** The presentation of the workshop was well-organized and easy to follow.

   37 Agree 2 Uncertain ___ Disagree

3. **Program materials:** The written materials used in the workshop are:

   27 Very useful 12 OK ___ Not Very Useful

4. **Workshop Length:** The workshop length (four hours) was:

   4 Too Long 31 Just Right 4 Too Short

5. **Objectives:** The workshop met my objectives for coming.

   35 Agree 3 Uncertain 1 Disagree

   I intend to continue to participate in the program.

   38 Yes 1 Uncertain ___ No

6. **Overall Reaction:** In general, this workshop was:

   20 Excellent 18 Good 1 Average ___ Fair ___ Poor

Comments: _____

_____

_____

Suggestions: _____

_____

_____

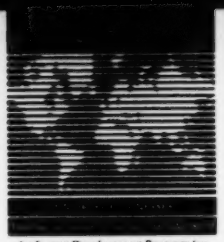
THANK YOU.

Comments from Workshop Two Evaluations

- I want to learn as much as possible
- Good Show
- Especially rewarding because the quality of information and level of presentation are very high
- Materials emphasize manufacturing exports
- A workshop everyone in Illinois should be involved with
- Please summarize trade leads resource information in a handout
- Give certificates to those who complete three or more sessions
- Video was informative
- Good Job
- Consultants well-informed. Seminar well put together
- Can we have some case studies? (Representatives come in and give personal pro/con experience?)
- Thank you. It's very informative. I am grateful indeed.
- Good presentation overall.
- Too many references without enough data to participants.
- Speakers were very good.

Suggestions from Workshop Two Evaluations

- Would like to know how to function as a broker or intermediary.
- Keep up the good work.
- Provide handicap parking and van parking near the facility.
- Provide a newsletter for participants giving a brief biographical sketch, their current or future business. Promote more networking.
- Also get participants to bring brochures and product lists to share. Get some to bring product samples. Do a special trade program during the last workshop.
- Talk more about products that are doing well overseas.
- Make available more materials.
- More videos, more materials, samples of on-line reports or trade journal excerpts.
- Give the Dept. of Commerce some credit. If people know what they want, the DOC can be very helpful.
- Need more information on groups-government associations that can assist in the overall endeavor.
- Furnish more documents on international trade such as up-to-date markets, buyers, vendors, etc.
- Provide more visual presentations as aids.
- Have photocopies available as an outline for lectures. Note-taking is a pain and handouts would be nicer.



An Export Development Program for Chicago-Area Minority Businesses

WORKSHOP THREE
EVALUATION

1. **Program Content:** The amount of material presented in this workshop was:

   1 Too Much 20 Just Right 2 Not Enough

2. **Program Presentation:** The presentation of the workshop was well-organized and easy to follow.

   20 Agree 3 Uncertain ___ Disagree

3. **Program materials:** The written materials used in the workshop are:

   18 Very useful 5 OK ___ Not Very Useful

4. **Workshop Length:** The workshop length (four hours) was:

   2 Too Long 20 Just Right 1 Too Short

5. **Objectives:** The workshop met my objectives for coming.

   20 Agree 3 Uncertain ___ Disagree

   I intend to continue to participate in the program.

   22 Yes 1 Uncertain __ No

6. **Overall Reaction:** In general, this workshop was:

   15 Excellent 8 Good ___ Average ___ Fair ___ Poor

Comments: _____

_____

_____

Suggestions: _____

_____

_____

THANK YOU.

COMMENTS FROM WORKSHOP THREE EVALUATION

Ask presenters not to refer to lists/charts/graphs that are not in our package of materials

Great workshop

This is my first seminar - I am sorry I didn't find out earlier. Look forward to next session.

Seminar was informative

Very Good

I appreciate your efforts to bring this information to us. Sometimes it is too basic. I didn't come down here to be told that competition is healthy.

Keep up the good work

Enjoyed the workshop

SUGGESTIONS FROM WORKSHOP THREE EVALUATIONS

Would like to see more of the written word as pertains to graphs, surveys and statistics

More materials if possible

Cut number of hours by 1/3, schedule sessions closer together, give reading assignments between sessions

Maybe twice a month for 2 months would permit continuity and retention of information

WORKSHOP FOUR

EVALUATION

1. Program Content: The amount of material presented in this workshop was:

   ____Too Much 19 Just Right 2 Not Enough

2. Program Presentation: The presentation of the workshop was well-organized and easy to follow.

   20 Agree 1 Uncertain ____Disagree

3. Program materials: The written materials used in the workshop are:

   18 Very useful 3 OK ____Not Very Useful

4. Workshop Length: The workshop length (four hours) was:

   3 Too Long 16 Just Right 2 Too Short

5. Objectives: The workshop met my objectives for coming.

   21 Agree ____Uncertain ____Disagree

6. Overall Reaction: In general, this workshop was:

   17 Excellent 4 Good ____Average ____Fair ____Poor

Comments: _____

_____

_____

Suggestions: _____

_____

_____

THANK YOU

COMMENTS FROM WORKSHOP FOUR EVALUATIONS

Good workshop - very well organized

Very organized

Need copy of notes or at least high points since I can't write as fast as they talk. Present notes don't have enough details

Please have more quality programs like this one

Excellent!

Very informative, happy to be a part

SUGGESTIONS FROM WORKSHOP FOUR EVALUATIONS

Please sponsor more seminars

Wish to have more seminars like these

Would like more instruction on export documentation

More of these

Please continue the good work

PROGRAM EVALUATION

1. The program increased my knowledge about international trade.

   19 Very Much 2 Somewhat ____ Slightly
   ____ Not at all

2. I am more likely to engage in exporting as a result of this program.

   13 Strongly Agree 5 Agree 1 Uncertain
   ____ Disagree ____ Strongly Disagree
   2 Does Not Apply (for service providers, etc.)

3. The program increased my awareness of the resources available to Chicago-area businesses.

   15 Very much 5 Somewhat 1 Slightly
   ____ Not at all

4. In general, this program met my objectives.

   14 Strongly Agree 7 Agree ____ Uncertain
   ____ Disagree ____ Strongly Disagree

5. I would recommend this program to a friend or business associate.

   20 Strongly Agree 1 Agree ____ Uncertain
   ____ Strongly Disagree ____ Disagree

COMMENTS: _____

_____

_____

Please give us your suggestions for future program topics.

_____

_____

_____

COMMENTS FROM PROGRAM EVALUATION

I've enjoyed being a part of this program

Very well done

This has been an excellent program, outstanding instruction, well organized program

Great

Couldn't you expand the course? Or add a course in marketing?

I am glad that this program is offered through this institution. It is a tremendous asset to the business community.

SUGGESTIONS FOR FUTURE PROGRAM TOPICS

Cultural, language and customs impact on export products

4.	In general, I am satisfied with the quality of the consulting.	Strongly Agree	54%
		Agree	38%
		Uncertain or Below	7%
5.	I would continue to work with these consultants.	Strongly Agree	54%
		Agree	31%
		Uncertain or Below	15%

Comments/Suggestions from Consulting Evaluation

- This program is very helpful, especially for minority businesses who have little or no knowledge of what it takes to export. The facts were concise and accurate with no misconception of what it takes to accomplish your goals. Continue the good work.

- This was an excellent program and will be of long term benefit to my business. This is the kind of help Illinois businesses need. The consultants were extremely knowledgeable and interested in our success. I am grateful for this opportunity to have access to this high level of competence. I might add that the sessions were well-organized and very professionally conducted.

- Our field is microcomputer software sales. It is a newer field, yet growing rapidly. Current information regarding this area is just being put together. Hence, the information and experience I receive is extremely useful.

- Next sessions should contain information on dealing with the Agency for International Development and EMCs and ETCs, as well as presentations from other organizations and agencies who deal in foreign trade.

- These consultants are extremely knowledgeable and demonstrate sincere interest in our export success. I feel much more confident with this valuable resource.

- Would like to see a continuing course on various topics (marketing, banking, transportation, insurance, import-export, etc.)

- Mr. Rubly is a tremendous resource person. I hope he will continue to work with this program.

- I very much liked working with Laura Spingola. She is very informative and helpful in all aspects of export trade. With her advice I was able to move ahead with my new venture in the Philippines.

CASE STUDY*

A minority entrepreneur in the telecommunications industry became interested in international business in 1985. She had heard that there were many business opportunities in the Middle East, and she wanted to take advantage of them. Therefore, she joined a group that was interested in promoting trade with the Middle East.

Through conversations with members of this group, she determined that the items most in demand in the region were automobile parts and accessories. She decided that she could act as an intermediary, securing orders and sourcing them in the U.S.

The association which she had joined was hosting a trade mission from the Middle East. The entrepreneur decided that this would be the opportunity she needed to meet potential business contacts. Using the profiles she had read and her impressions from her brief contacts, she selected seven members of the mission with whom she would like to do business. She spent a good deal of time and money entertaining them in the U.S. and sent them on their way hoping that an order would soon arrive.

She was successful. In record time, thirty days later, she received an order for $250,000 worth of automobile parts from Saudia Arabia. Unfortunately, the order consisted of 150 items in various quantities, and thus she needed multiple suppliers. She found that the suppliers had major reservations about doing business in the Middle East, and would only ship parts F.O.B. U.S. dock, which would mean that the Saudis would have to pay cash in advance of delivery. The Saudis were willing to pay more, but they insisted that the order be sent F.O.B. Saudi Arabia, so that they would not have to pay until the goods were delivered. Neither party would compromise.

About that time the entrepreneur met a man from Yugoslavia who suggested that the answer to her problem was to have the parts manufactured in Yugoslavia and then shipped to Saudi Arabia. With conflicts in the Persian Gulf, it made sense to ship on a neutral Yugoslavian ship. Further, this arrangement would reduce freight and insurance costs and delivery time.

For eleven months the entrepreneur negotiated with the Yugoslavians. Finally she got a contract. But then the Yugoslavians became greedy. They wanted to change the payment terms and profit distribution. They wanted the payments to go through them and have the entrepreneur wait 60-90 days for her share. The Letters of Credit had been between the entrepreneur and the Saudis. Changing them to go between the Yugoslavians and the Saudis would effectively cut out the entrepreneur, and make her give up her contacts. Three months later she refused.

---

* This case was prepared by Kristin B. Moe, graduate student in International Business at The University of Illinois at Chicago.

By chance the entrepreneur met another Yugoslavian in the U.S. who represented 60 factories. It seemed as if negotiations with him would be easy, as he brought with him a document which he called a "standard factory agreement." Unfortunately, the 20-page agreement was written in Serbo-Croatian. Coincidentally, the entrepreneur met a person who could translate the document because he spoke several languages, including Arabic and Serbo-Croatian. He and the entrepreneur became partners in the project and negotiations began.

The negotiations were progressing smoothly when suddenly the second Yugoslavian disappeared and contact was lost.

Now, months since the order was originally secured, the entrepreneur met with a group of people representing the Free Trade Zones, the customs-privileged facilities located worldwide. They told her that the best way to reduce risk when shipping to Saudi Arabia was to ship through the Free Trade Zones. They said it was important that the Saudis make the time and financial investments. Selecting a zone which would minimize freight and port costs for suppliers and would encourage the Saudis to travel to inspect their merchandise would greatly reduce risk.

This would solve many of the problems. However, the entrepreneur was still unable to source the parts in the U.S. Therefore, she still wanted to produce them in Yugoslavia. The entrepreneur happened to read about Yugoslavian quality-control problems and became concerned. She decided to visit the country, talk to agents and inspect factories. She signed up for a Yugoslavian factory festival. Unfortunately, due to illness the trip was postponed.

It had been two years since the order was received and still there had been little progress. The economy of Yugoslavia began to take a turn for the worse. Inflation was 87%, banks were folding and now the Yugoslavian contacts wanted to barter instead of receive money. They wanted to trade their auto filters for Saudi oil, and they wanted a bigger trade. They wanted ten million dollars worth of oil for a number of Yugoslavian goods including marble, faucets and automobile parts.

The entrepreneur started researching barter trade. She found that it is only recommended for cash-rich organizations. In addition, it is very complex, and, therefore, extremely difficult for a novice to make a profit. The more research she did the more she was convinced that barter trading was not for her. She heard several horror stories from people who had tried it. She decided to walk away from the entire deal.

Thus, after more than two years of attempting to close a deal, the entrepreneur was never successful. She decided that the next time she got involved in international business would be after learning how to do it properly.

ANALYSIS

This case highlights the dangers of entering the international business arena without preparation and getting away from one's own area of expertise. The entrepreneur knew nothing about exporting, and she had no experience in auto parts or in Saudi Arabia. To complicate this inexperience she relied on hearsay and chance meetings with people for guidance.

Many people jump unprepared into the international business arena, expecting to make money quickly. Instead they almost always fail. Success in international business comes through research, through getting the advice of qualified people, and through working with reputable agents and buyers in foreign countries. The entrepreneur failed to research the market and the exporting process before her futile attempt at exporting. She believed that sourcing and shipping the merchandise would be simple, and the only difficulty would be to secure the order. Needless to say this was not the case.

Not being in the automobile industry, she did not know that U.S. suppliers were extremely wary of selling to Saudi Arabia. Had she been an insider, she would have been aware of this hesitation. Because she had no connections with or expertise in Saudia Arabia, it is difficult to imagine that she could have effectively acted as an intermediary in a situation where many people with more expertise had failed.

Unfortunately, she relied on people who came to her or whom she met by chance to be her contacts, her partner and her suppliers. It is highly unlikely that she would have been so fortunate to find reliable and qualified people by relying on fate. Instead, she could have sought the recommendations of an international banker, a freight forwarder, a community college service provider, or a Department of Commerce Trade Specialist. These people could have given her qualified referrals.

The entrepreneur lacked understanding of even the fundamentals of exporting. Had she been better prepared, she would have been able to seek out necessary information and advice to make sound decisions and thus export successfully.

The entrepreneur gave up the idea of exporting until, by chance, she came across an announcement about an export development program offered by two of the City Colleges of Chicago, Harold Washington College and Chicago City-Wide College. She decided to enroll in the program and was very surprised to learn about the many resources available in her own community to assist small businesses with exporting.

Having learned the basics, she is now working in her own area, telecommunications, and exporting to an area she is familiar with, the Caribbean. Her community college has used its strong ties with the business community to secure the services of an export consultant and other international business specialists to assist her. She is researching prospective opportunities thoroughly before seeking orders for products. In addition, she is talking with the manufacturers and other suppliers before orders are accepted. As a result of the advice and information her community college was able to supply, the entrepreneur is having far more success with her new venture.

ERIC Clearinghouse for
Junior Colleges FEB 1 1990